

*September WTA Magazine Article by
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Assessment Changes Pushed by Department of Revenue

Following this article is a letter that was sent to all municipal clerks, including town clerks, in Wisconsin regarding changes proposed by the Wisconsin Department of Revenue (DOR) to be implemented starting in 2013. DOR also prepared some more detailed Questions and Answers (three pages) related to Electronic Assessment Data that we have posted on our Association website along with this letter at www.wisctowns.com

DOR is proposing that starting with the 2013 assessments *local assessors must store and maintain their assessment data electronically and be able to transmit annually required attributes on each parcel of property to the state agency*. In addition also starting in 2013 *local assessors would have to follow the Uniform Standards of Professional Appraisal Practice (USPAP)*.

Some background information on these issues for your information. First, the DOR is using their agency authority to require these changes in the Wisconsin Property Assessment Manual, which by law all assessors must follow in performing their assessment work. This has not been required by a state law change but by the DOR directive to be included in the next Wisconsin Property Assessment Manual effective starting with the January 1, 2013 assessment.

Second, we don't have a hard count on the number of assessors that currently use software to electronically store and record assessment data on each parcel of property. However, some numbers indicate that over 1700 of the

over 1835 municipalities in Wisconsin use some computer software in their assessment work. However, we also know that not all software being used has the capacity to meet the expected DOR requirements for data to be stored and data to be transferred to the DOR. We believe that some of the existing software will have to be updated to comply with the expected DOR requirements. We also believe that there may be as many as 10% of the assessors in Wisconsin that currently do not use any electronic means of retaining data, but have merely used the individual property record cards for each parcel of property.

One of the reasons the DOR is pushing this new electronic data base requirement is to ensure that all assessors are basing their assessment on at least a minimum amount of data for each parcel and improvement. The electronic data that is being required is the same data that is being kept on the individual property record cards. This data that should currently be kept on property record cards (and would be kept electronically) includes: land area; year built; grade; condition; style; exterior wall material; first floor living area; upper floor living area; finished basement living area; recreation room area; unfinished basement area; # stories; # full bathrooms; # half bathrooms; # bedrooms; # fireplaces; air conditioned area; basement garage area; attached garage area; detached garage area; carport area; open porch area; enclosed porch area; deck area; and pool area. While the property record cards and file also usually include a sketch of outside dimensions and photos of exterior and interior of each improvement, the DOR is not directing that this type of information (such as sketches, floor plans, or photos) be transmitted to the DOR. The

DOR does expect that the assessors have means to store this type of data in addition to the data described above electronically.

One of the legitimate concerns of assessors, especially those working as independent contractors with a number of towns and villages is what will the cost of the computer software be to maintain, store, and transmit this data electronically be? How will the independent contract assessors cover this cost? How much additional time and cost will it be for assessors to input this required data in a computer database? In fairness to the independent contract assessors these costs should be included in their proposed costs for their work for the town and village. Estimated costs to view properties, whether in a maintenance year or in a revalue year; travel costs; other incidental supplies such as postage for notices, etc.; should also be included, which means the towns and villages will have to pay these costs, now including the costs of software programs that assessors will need to comply with assessment requirements. This will be an increased cost for towns and villages in most cases.

In the past we have heard that some towns and villages will take the lowest proposed quote from assessors that is made without ensuring that the new assessor is actually going to maintain an individual record card on all parcels. A few assessors have been known to take assessment jobs at the lowest possible fee and then only use the last assessment roll as their roll for the next year without properly updating the property record cards for new improvements and additions. This type of work by a few assessors has resulted in the push for more accountability of all assessors by requiring a transmittal of the individual data on each parcel to the DOR. Under the proposed electronic filing system, there should be

data (similar to that which was kept on a property record card for each parcel of property). DOR will see this data. This means all assessors will need to keep their records update to date on all parcels or they will not have any data to transfer to the DOR.

Some will question what does the assessor do when a property owner refuses to allow an assessor to come on their property to view and obtain the required data for assessment work Under Sec. 70.47 (6r)(aa) of Wis. Statutes, if a property owner refuses the assessor after reasonable written request by the certified mail of the assessor, the assessor may make the assessment on the best available information available (which may be from building permits or a street view). The property owner does not have a right to appeal at the board of review and must live with this assessment. The assessor would enter that no data was available as described earlier in this article, because the property owner refused a written request to allow the assessor access to the property.

As to the USPAP requirements, the most significant change for Wisconsin assessors will be the requirement to provide a written report to the Board of Review documenting and describing the assessment work for that assessment year. Items that should be described in this report include how the assessor obtained information on unique properties such as landfills, golf courses, and other one of a kind property. The report should also detail who assisted the assessor in the assessment work. DOR has prepared a model or template for assessors to use that will meet USPAP requirements. The template may well be more than is necessary for many rural assessors with very limited unique properties. More information will be developed on what

needs to be in USPAP reports. This new requirement will take more time for assessors to prepare than in the past. This additional time will also be a cost to the town or village.

On Friday, August 19, 2011 the WTA board of directors after reviewing the DOR materials available to date and lengthy discussion on these issues took the following positions as a WTA board position. First, that Wisconsin Towns Association accepts that electronic filing of assessment data is appropriate for the future. Further that while a target date of 2013 can be established, the DOR should allow additional time to those communities and assessors who are making a "good faith" effort to meet the electronic deadline. As to the USPAP standards, our Association believes that the reporting requirement as established in Standard 6 of USPAP is beyond what most small and rural towns and villages need to perform. However, to ensure that local assessors of all communities are performing to a professional level of service, WTA would accept USPAP standards being applicable, but delayed to the 2015 assessment year for towns and villages with population less than 2,500.

In addition, WTA will seek state legislation to specifically state that any electronic data on individual parcels of property is not a public record for access by the general public from the DOR. This data will be a public record (as it is now on the property record cards) from the local assessor as custodian of these records. DOR will not have authority to create a state website or be able to disclose the electronic data on individual parcels and improvements. This protects the privacy and individual property rights of property owners from having the state agency disclose this data.

While we recognize that some assessors who do not intend to use computers and computer software for maintaining and storing their assessment data may well be leaving the profession, we also believe that electronic storage of such data and transmission to the DOR for their limited use in equalization and oversight of local assessors work is necessary. With local assessors supplying the complete electronic data as outlined earlier in this paragraph, there should be no argument that towns and villages can and should retain the right and responsibility of assessment of property. We would urge towns and villages to talk to their current assessors and ask whether they will be able to comply with electronic data maintenance, storage, and transmission to the DOR in 2013. Town and village board members need to recognize that there will be increased costs that the town and village will have to bear for such items as time for data input on each parcel; software costs, etc.

We would encourage town and village boards to ask their assessors what the additional requirements will cost the town or village. Also please let our Association know what you are hearing on these increased costs. An argument can be made that if this a state priority to meet these new DOR requirements that these increased costs should be an exception to levy limits and allow the towns and villages to raise the funds to meet these increased costs.

We have been told that for those assessors and communities that are making a "good faith" effort, by having the electronic data system in place and striving to have the input entered by 2013 or as soon as possible, the DOR will give some additional time on a case-by-case basis. But for those assessors that just refuse to use electronic systems to

maintain and store data, the DOR will not be giving extensions.

We intend to have workshops for assessors at this year's convention (as announced later in this magazine) on these new requirements for 2013. Now is the time to find out what will be required and start working in 2012 for the 2013 deadline. We also will have information on this topic at one of the General Assemblies on Monday or Tuesday morning from DOR personnel. This will be an opportunity to find out more and ask questions of the proper people. We will continue to work with DOR to ensure that the electronic data requirements are reasonable and doable for town and villages. We will also push for a delay on full implementation of the USPAP requirements, for towns and villages under 2,500 in population.